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# Technology Transfers: Do Crackdowns Wor

## They Deny a Sword to the Soviets

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As the summit between President Reagan and Soviet leader Mikhail Gorbachev approaches, it is important that the president guard against any attempts to bring back the failed policy of economic detente that the U.S. pursued in the early 1970s.

As a candidate in 1980, Ronald Reagan decried this policy, especially the transfer of America's technological advances to the Soviets. In the first Reagan term a crackdown was initiated. Elements included the natural-gas-pipeline sanctions against the Soviet Union for its imposition of martial law in Poland and the subsequent agreement with U.S. allies at the Williamsburg Summit in May 1983 to consider all economic and trade actions as part of the overall political/strategic relationship with the Soviet Union. The governments of North Atlantic Treaty Organization countries and Japan agreed to tighten controls on the export of advanced technology, limit their dependence on Soviet energy supplies and reduce credit subsidies in East-West trade.

But today there is a new leader in the Soviet Union adept at cultivating an image as a "peace seeker" willing to compromise and cooperate with the West. Soon after assuming office, Mr. Gorbachev called for an intensification of trade with the West.

Many officials in the Reagan State and Commerce departments, who objected to the economic crackdowns of the first term, view trade and the coming summit as chances to promote an understanding with the Soviets. They would heed Mr. Gorbachev's call to abandon the Williamsburg agreements and return to the liberal trade policies of past administrations.

### Policies Based on False Premises

Of course, the policy of economic detente also had its supporters and justifiers back in the 1970s. They followed policies based on a series of false premises that held that improved trade with the Soviets would have certain positive effects in U.S.-Soviet relations:

- The first premise was that an expansion of East-West economic relations, including high-technology exports to the Soviet Union, would be the appropriate response to an initial easing of political tensions and would result in further easing of tensions and in a moderation of the Soviet Union's behavior abroad.

The Soviet intransigence at the arms-control talks and Soviet direct and proxy military interventions in Angola, Nicaragua and Afghanistan have exploded that balloon.

- The second premise held that if East-West political tensions were not reduced as expected, the West could always withdraw trade benefits in a calibrated manner, using trade as leverage to gain Soviet cooperation.

This proved far too simplistic. Disagreements within NATO over the proper response to martial law in Poland revealed the lack of consensus on when sanctions should be imposed or which ones were appropriate. Moreover, certain Western countries have developed dependencies on Soviet-bloc markets that are difficult to break and can be readily exploited by the Soviet Union.

- Third, it was believed that enhanced commercial trade between the Warsaw Pact nations and the industrialized world would lead to an easing of internal repression by those regimes.

Instead, the human-rights situation in the Soviet Union has deteriorated. The flow of immigration to the West has all but dried up and religious freedom is as threatened as ever. Trade with the West has not stimulated internal reform; rather, it has given the leadership the resources to postpone it.

- Lastly, the U.S. government felt confident that sales of sophisticated equipment and technology would have only marginal benefit to the Soviet military because of the inability of the Soviet economy to assimilate imported production techniques.

Instead, the Soviets have not only been able to absorb Western technology, but have saved themselves billions of dollars in research and development. The 1970s saw the Soviets undertake the most extensive military buildup in world history—all supported by the high-technology giveaways of the U.S. and its allies. This has forced the U.S. and NATO governments to initiate a crash defense buildup of their own—one for which Western taxpayers are still paying.

In light of the failure of economic detente to deliver any of its promised benefits, the Reagan administration's crackdown on shipments of high-technology products is welcome—and has already paid dividends. A recent Pentagon-funded study by B-K Dynamics of Rockville, Md., estimated that without technology-transfer export controls imposed by the Reagan administration, the Soviet military would have saved as much as \$13.3 billion in 1983 and 1984 in direct improvements in military production. This estimate was reached by examining 79 instances involving rejected export-license requests by the Soviets or East Europeans. The estimates suggested that the U.S. and its allies would

have spent about \$14.6 billion to match the technological advances the Soviets would have made had the licenses been granted and Western companies been allowed to transfer the technology.

The B-K Dynamics study supports an earlier one made by the Central Intelligence Agency at President Reagan's request in 1981. It is complemented by last week's report of the Technology Transfer Intelligence Committee, a group representing 22 U.S. government agencies and chaired by the Central Intelligence Agency. Its study concluded that the Soviet effort to acquire U.S. technology useful to Soviet military efforts has been so massive that it amounts to, in the words of Defense Secretary Caspar Weinberger, "subsidizing the Soviet military buildup."

According to the study, virtually every Soviet military research project has benefited from this acquisition effort. For example, Richard Perle, assistant secretary of defense, believes that there would be no significant Soviet microelectronic capability today absent the acquisition of U.S. technology. Microelectronics is vital to the development of accurate missile-guidance systems.

### Soviets' Most Critical Problem

But the issue of "technology transfer" has become more than simply the question of whether we export desk-top calculators and computers to the Soviet Union. The single most critical problem for the Soviets in the next few years is the development of their oil and natural-gas industries. The effect that the recent downturn in oil and gas prices will have on the Soviet economy has been virtually ignored. The Soviets earn more than 60% of their hard currency through the export of oil and gas. Without those exports their efforts to maintain their empire and keep their client states afloat would be made much more difficult. Many economists, such as Vladimir Trembl of Duke University, believe this burden would be insupportable in the absence of Western credit and technology transfers.

If the Soviet Union is to avoid energy shortages of its own, which could threaten both its economy and its domination of Eastern Europe, it must turn to the West for credits and help in securing critical gas- and oil-field equipment. Technology from the West is needed to speed up development of the Barents Sea oil fields and the Astrakhan natural-gas reserves.

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White House policy makers should weigh these factors as pressure mounts to return to the failed policy of economic detente. They should ask themselves whether they really want to continue to allow a parasitical Soviet Union to feed off the lifeblood of the U.S. and other Western nations. Without capitalism, the Soviet system likely would have collapsed a long time ago. Moscow's trade with the West enables it to compensate for communism's failings by relying on Western technological, economic and financial help.

The U.S. has lost more than it gained with its policy of economic detente, and the current transfer of technological equipment and information to the Soviets has set back U.S. interests immeasurably. We don't need new laws or regulations to stem the flow of technology. What we do need to do is vigorously enforce the export laws currently on the books.

As talks on expanding U.S.-Soviet trade and economic cooperation continue, the American people should never again allow U.S. national-security interests to be compromised by shortsighted policy makers who need something to announce to the TV networks when it is time to read the final communique.

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